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Amendments to the Specification

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Please replace the paragraph beginning on page 2, line 18, with the following:

A user having a defined design in mind will generally purchase an unprogrammed programmable device from a manufacturer. In instances where the programmable device is a PLD, the user can-purpose purchase the programmable device from Cypress Semiconductor. The programmable device may be stockpiled by the user and, when a design is needed, the programmable device can be programmed in the field using, for example, a program tool containing program code. The program tool can be a computer, or a portion of a computer, which stores a program that selectively activates or deactivates switches within the array of switches of the programmable device. The program, thereby, essentially contains the overall design template needed to configure the programmable device to a user-specified design. There are numerous types of program tools and programs/files resident on such tools, all of which are contained within a host computer, typically at the user or customer site. Of course, the programmable device can be a portion of a subsystem that can be programmed to implement a particular application, such as a bus bridge, media access controller (MAC), or virtually any system that can be configured, or periodically upgraded to new applications by a user.

Please replace the paragraph beginning on page 5, line 3, with the following:

The problems outlined above are in large part solved by an improved system and method for tracking royalty fees to programmed subsystems, alternatively known as programmable devices. Each time a programmable device is programmed with code obtained from an IP vendor, the program tool of the host will note use of the IP and log such use within an accumulator. The accumulator, found within a data retrieving engine of the host, will store and periodically update a royalty payment table attributable to the programmable devices being programmed with the corresponding IP. The table can be sent either electronically or by other means to the manufacturer of the programmable device. The manufacturer will then be obligated to pay the IP vendor or owner of the design in accordance with that royalty payment table. The table can be downloaded either daily, weekly, monthly, etc. from the programmable device user to the programmable device manufacturer. The table may contain royalty obligations due to several IP vendors, depending on the design used. The programmable

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device manufacturer can build into the cost of the programmable device any royalty fees he/she must pay to the IP vendor in accordance with a pre-existing licensing agreement. According to an alternative embodiment, the programmable device manufacturer might simply-forwards forward the royalty payment table to the IP vendor, but does not collect royalties from the user. Instead, the IP vendor will seek collection directly from the user based on information contained in the table.

Please replace the paragraph beginning on page 15, line 1, with the following:

Once programmable device vendor 44 receives the hardware identifier, vendor 49,44 embeds the hardware identifier into each programmable device as the programmable device is manufactured. The embedded code can be placed either during the mask shop manufacturing process, or can be permanently placed into the manufactured programmable device using, for example, blown fuses or anti-fuses. Regardless of how the code is embedded, the resulting embedded code cannot be changed by a customer 42 and, as such, vendor 44 ships the programmable device with the embedded code, satisfied that customer 42 cannot access that embedded code nor alter it its bit values.

Please replace the paragraph beginning on page 17, line 27, with the following:

Merely as an example, line 82 indicates that an IP vendor designated as "A" sent program code containing an IP identification number of "23" to a customer. The customer programmed 10,000 devices with IP identifier 23, known to the IP vendor as carrying a high royalty rate, as shown in the IP category HiGH. For example, the device being programmed can be a certain part number and, in this case, is noted as device number "1." Either the program code can contain the IP vendor name, device number, and IP category, along with the IP identifier or, simply, the IP vendor sends a file which can be compiled whenever a match occurs between the software IP identifier and the hardware IP identifier. Once that match occurs, then the file completes its compilation process by filling in the table 80, as shown. As stated above, the IP identifier indicates the particular design to which an IP vendor—as has placed a royalty obligation. For example, IP identifier 23 can be that of a counter while IP identifier 12 can be that of a D type flip-flop. Given that a counter is more complex, the IP category attributable to IP identifier 23 can have a much higher royalty rate than that of a D type flip-flop.